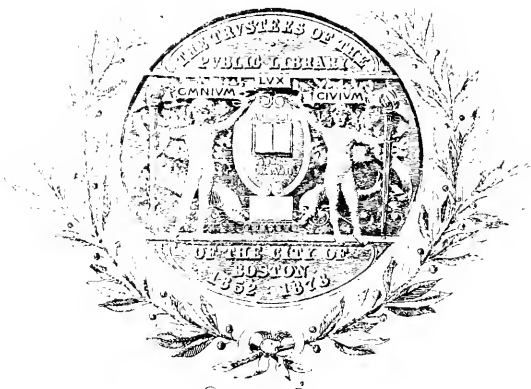


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A Good Home For Every Wage-Earner

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City Planner, Cambridge, Massachusetts

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A GOOD HOME FOR EVERY WAGE-EARNER

By JOHN NOLEN.

City Planner, Cambridge, Massachusetts

The general benefits of building and loan associations need no rehearsing or praise at such a meeting as this, after a quarter of a century of fruitful work. It is decidedly worth while, however, to discuss at this time the close relation of these associations to the housing problem of wage-earners. The statement of the United States Bureau of Labor that "no one class of provident institutions in this country has contributed more largely than have building and loan associations to the material welfare of that portion of our citizens dependent upon a daily wage for support" is suggestive of the facts.

I cannot refrain from an expression of my personal indebtedness to the Local Building and Loan Association. The first systematic saving which I began as a boy thirty years ago was at the suggestion of my employer, and went into the old City Hall Building and Loan Association of Philadelphia. It enabled me first to go to Europe and begin travel into the bigger world, and later, when I married, my first home was secured through the same Building and Loan Association. So, here in New England, the Co-operative Bank, the Massachusetts form of the Pennsylvania Building and Loan Association, has been the means which I found most convenient for home ownership, and with which I wanted to again identify myself for whatever influence it might have.

My early days in Philadelphia impressed me with the building and loan association, and with the importance of the single family home. Unfortunately, while that home has many of the things which are most essential to family life, its appearance is monotonous and forbidding, and quite unnecessarily ugly. Of course, this is true of the wage-earner's home nearly everywhere in the United States. One can easily find illustrations in the press and literature of the day, of the sordid and depressing character of the modern home, the modern city, and the relation of the factory

to these conditions, especially in England and the United States. An instance is the address on "The Social Basis of the New Education for Women," delivered at Columbia University last winter, in which Dr. Frederick H. Sykes said: "The factory system spread rapidly through the world, for it meant wholesale production and wholesale profits to the capitalist. But it did not concern itself directly with mere living. Homes for the new industrial and commercial classes were evolved in muddling, makeshift fashion, under dreadful conditions of congestion. The shadow of the factory stack falls on ugly rows of houses, mean tenements, with great sacrifice of human values. The old joy in good hand work died in a new ground barren of art. Go through the main street of a factory town—see the tawdry signs, the perverse decorations, the muddy, discordant paints, the dirty streets. Look into the houses—the ugly furniture, glaring wall papers, poor utensils, pathetic pictures. 'We have,' said William Morris, 'practically killed the beautiful in the nineteenth century. Railroads are ugly. Streets are ugly. Clothes are ugly. Capitalism has plunged us into a mass of ugliness out of which there seems no escape.' And this ugliness is not external merely. It strikes in. Inner ugliness, unrest, recklessness sadden and brutalize human life in many parts of industrial society. This development of cities and city life cannot be arrested. It is the historic trend. It is left us only to face the by-product of industrialism, the city, and, if possible, civilize it."

Modern housing is "big business," and should be handled, at least on its constructive side, as big business is handled. Building operations in the United States amount annually, it is said, to four billion dollars. Probably half or nearly half of this great total is spent in dwellings; much of it—in fact, from an economic point of view, most of it—is not well spent. A large percentage of the houses, especially the cheaper sorts, are poorly conceived for their purposes, and 80 per cent of all of them are built of wood. Of course, a frame house may be a reasonably safe and satisfactory house, provided it has a fire-proof roof, and that there is ample space between and around the houses, say at least twenty feet as a minimum. But, usually on account of the laxity of laws for building control, there is an excessive depreciation in a frame house and a fearfully costly fire-risk. This constitutes a huge economic loss, amounting, by the most conservative estimate, to two hundred and fifty millions of

dollars annually, which sum must be paid, as other carrying charges are paid, out of production, and finally must be taken care of in the wage-earner's pay-roll.

A good home for every wage-earner is possible only by recognizing that housing is intimately and permanently related to a number of large and difficult problems. Some of these are planning problems, some questions of broad economic policy, and some problems of finance. For example, we have the close relation between city planning and housing,—how it is influenced by the location of factories; by the proper districting of the city, giving greater stability to the value of real estate, and by other building regulations; by the street system, and especially by means of transportation; by the proper distribution and development of parks, playgrounds and neighborhood facilities for recreation. This relationship of city planning and housing is illustrated in a recent report of an English architect, who has pointed out that many housing schemes have been carried through as if they were isolated phenomena—just as though a physician were to attempt to cure a body permeated with a scorbutic disease by applying a soothing salve to a few sore places on the face and hands. One of the most important city-planning aspects of housing that has as its ideal “a good home for every wage-earner” is the removal of the factory and the home to the city outskirts, thus instituting a process of industrial and residential decentralization, and all the benefits which that process involves.

Then, housing is, of course, closely related to the building interests, materials of construction, and the loss by depreciation and fire. It is affected directly by policies with regard to land and taxation, the prevailing practice as to public health and sanitation, and especially standards of living and their dependence upon the minimum wage. These cannot be discussed here in detail, but consider, for example, these four points in connection with wages and their relation to one another:

1. The minimum desirable house of four or five rooms cannot be provided in the United States, even under favorable conditions, for less than about \$1,800 or \$2,000—that is, for house and lot—with street improvements, essential public utilities and neighborhood recreation.

2. A house costing that sum cannot be offered on the basis of an economic rent of, say 5 per cent or 6 per cent net, for less than \$15 a month.

3. Unless a wage-earner with a normal family of wife and three dependent children has an income of \$15 a week, or \$800 a year, he cannot afford to pay as much as \$15 a month for rent.

4. More than one-half of all workingmen in the United States earn less than \$800 a year.

Thus we see that no solution of the housing problem in its most acute form, affecting more than 50 per cent of all wage-workers, is possible until a better adjustment can be made in the relation of these four points. Here is our choice. Either the cost of the house and lot must be substantially reduced, or the standard of healthful living must be lowered, or the wages of the lowest-paid workmen must be raised. The other three possible alternatives, if they may be so considered, are to put the wife and children at work to add to the family income, to take in boarders or lodgers, or to count upon private philanthropy or the public treasury to provide, not a few, but great masses of wage-workers with a house at less than an economic rent.

What, then, is the first step toward a solution of this large and important problem? I believe it is to recognize that the subject is primarily one for the right application of broad economic principles and more aggressive methods of securing the necessary capital. We must in some thoroughgoing way convert the great forces, working through regular channels, which now produce bad housing and an inadequate supply, to produce good housing, and in more ample supply, and we must do it by bringing into control and co-operation with them the forces that believe in good housing and will gain from it, which are mainly the manufacturing, financial, and business interests that depend upon the efficient and happy workman, and such organizations as this Convention represent. This great change in housing methods will come, if it does come, from the substitution of the reasonable profits of business for exploitation and excessive return, from the transfer of housing from the field of speculation to that corresponding to other forms of legitimate manufacturing and investment. We shall then proceed to get houses as a commodity in very much the same way that the manufacturer proceeds with other commodities. We shall want to know the facts as to the nature and extent of the demand. We shall have definite aims as to the product. We shall use skill and experience and factory methods. We shall provide for a wider use of building and loan associations, back the enterprise with adequate capital, and count upon a fair rate of interest.

It would be comparatively easy to show that the larger part of low-cost housing in the United States is not today satisfactory in character nor adequate in extent. To my mind, however, a peculiar opportunity for improvement is now presented. Something relatively new has recently happened in this country, leargely as a result of the European War. Employers of labor, not a few, but many, are having such great difficulty in getting and holding employes, and they are so impressed by the new conditions and the cost and inconvenience that these conditions involve, that they are ready to consider any practicable proposition that will lessen their troubles. It is now easy to draw their attention to the poor character of much of the housing of wage-earners, and more especially to the utter inadequacy of the supply of small houses of suitable types available at rents which the workingman can afford.

From a recent study of conditions in four cities, I believe that there is today an opportunity for a substantial and permanent advance. The four cities investigated were Waterbury and Bridgeport, Conn.; Kenosha, Wisconsin; and Akron, Ohio. In some respects the problems are similar for all these cities; in other respects they are local and peculiar.

In all cases the local organization resolved that before plunging in and building something, they would find out by careful investigation the extent and character of the demand for houses, and also the experience of other places in meeting somewhat parallel conditions and requirements. The first step, it seemed to them, was a social and economic survey, a diagnosis that would give them confidence in the prescription for immediate needs, and, at the same time, enable them to adopt measures that would be preventive in character and apply to meeting the situation in more normal times.

A typical illustration of procedure is that of Waterbury. The investigation began by the consideration of three main classes of facts: (1) What are Waterbury's housing needs? (2) Where can these needs best be met? (3) How can workingmen's houses be provided in Waterbury? The data, when collected, showed that there were from 1,000 to 2,000 families to be provided for; that 35 per cent of these were skilled workingmen and 65 per cent unskilled; that the average weekly wage of the skilled was about \$20, and of the unskilled \$14; that 54 per cent of the total were married men; and the consensus of opinion with regard to

type or types of houses was that the one-family house should be preferred, if the family could afford it. If not, a double house, or two one-family houses built together, with separate yards, and that only when necessary the three or four-tenement flat should be built.

Detailed investigations based upon the questionnaire which was submitted to the manufacturers were made for each city. The results were summarized in each case and made the principal basis for the recommendations which followed.

The recommendations were somewhat different for the different cities, because of the different local conditions. However, those submitted to the Bridgeport Chamber of Commerce are typical, and will serve for illustration. They were seven in number, as follows:

1. That the Bridgeport Housing Company be formed at once, with a capital of at least \$1,000,000.

2. That someone with special fitness be employed by the Company to give all his time to the problem of providing houses or apartments for workingmen.

3. That various tracts of land suitable in character and location and low enough in price for the housing of workingmen be purchased by the Company.

4. That the Housing Company undertake the early building of houses and apartments primarily for rent.

5. That the Company should provide especially the single-family, detached dwelling, for sale on easy terms.

6. That the proposed Housing Company should co-operate with the family which has acquired title to a building lot, but has not yet built upon it.

7. That the Housing Company should facilitate, so far as possible, broad city-planning improvements, especially those relating to main thoroughfares, parks, playgrounds, and the districting of the city.

The recommendations submitted to these four cities, of which those for Bridgeport are typical, have been so framed as to meet the actual housing needs of workingmen, on terms which their wages make possible. The proposals are not essentially new, and not in any sense radical. In fact, they follow conservative and well-tried-out schemes of other housing companies. Virtually everything recommended has been successfully executed

elsewhere in this country for the same classes of workingmen, with the same income or even less. No one house or method is endorsed as the only one, although the emphasis is put upon the single-family, self-contained, detached house or cottage as on the whole the most American and most desirable when possible. In addition to the single-family house, detached, the recommendations include an endorsement of the single-family house in groups, also of well-arranged, well-lighted apartments or flats. All these types have some advantages of economy of land cost or of land improvement cost, or of house construction, and they take into account the fact that different people have different tastes and preferences as well as different needs in housing, as in other matters. What is best depends upon conditions and circumstances and the cost. These recommendations were, of course, only the first step in a constructive program. Every effort, however, was put forth to make it a definite and practicable step, and to suggest logical methods for following the matter promptly by action.

What has actually been accomplished so far? Briefly, the following may be said:

In Waterbury, two large manufacturing concerns have begun operations and a considerable number of new houses of desirable types have been completed and made available. Furthermore, the attention of all the manufacturers of the city has been effectively drawn to the subject, and through the publication of the report in full in the *Waterbury Republican*, as a Sunday supplement, interest has been aroused and public opinion formed favorable to the energetic prosecution of the subject. No joint action, however, on the part of manufacturers or of business interests generally, has yet been secured, and it will be interesting to observe how much can be accomplished without it.

In Kenosha, the movement was begun by the Manufacturers' Association and had the approval and support from the start of all the business interests of the city. Although the investigation was not taken up until May, 1916, the Kenosha House Building Company and the Kenosha Homes Company were successfully organized in July. Land was purchased and building begun early in August. Plans have been made for the construction of at least 400 single-family houses. Many of these are already completed and occupied. So far the operation is confined to the detached cottage type of five or six rooms. The price of the first houses on 40-foot lots, which had already been laid out

when purchased, will be from \$2,200 to \$2,600. It is hoped that later operations will make possible houses at about \$2,000, on a minimum of 50-foot lots.

Some forces are now being used for securing good housing for Kenosha that formerly built houses less good or were relatively inactive in adding to the supply of houses. These forces have been stimulated, directed and helped by the effective organization of the manufacturing, business and financial interests of the city. The work is on a good business basis, yielding a good return. It places no dependence upon philanthropy. It is being done by the entire community for the entire community. It is free from any taint of paternalism. It is permanent and intends to occupy the field so long as there is any need for it. It is of inestimable benefit to the four parties most affected, namely, the employers of labor, the people of the city as a whole, the legitimate real estate operators and builders, and, above all, to the wage-earner himself. With slight modifications to meet local conditions, the method of Kenosha is, I believe, capable of wide application.

The Bridgeport development is now well under way. After the presentation of my report entitled, "More Houses for Bridgeport," and the careful consideration of the whole matter by a special Committee of the Chamber of Commerce, the Bridgeport Housing Company was incorporated, with a capital of one million dollars. A prospectus was issued, a capable manager was engaged, offices were opened, land acquired, and contracts made for the construction of buildings. An apartment house with accommodations at low rents has been completed, and group houses accommodating nearly one hundred and fifty families will be finished this summer. A better development of detached and semi-detached houses has already begun on the Fairfield tract, and the Building Committee has been authorized to erect houses on land acquired at Lordship Manor. I believe that the movement in Bridgeport will be particularly instructive and significant. Its operations are bound to be large, because the demand is so great, and the conditions which the Housing Company has been organized to meet and master are typical of a modern American industrial city in the throes of very rapid growth.

So much for the results of the plan followed at Waterbury, Kenosha and Bridgeport. No panacea is offered, but the suggestion and encouragement of a successful experiment.

Notwithstanding the Great War, with all its waste and all its indescribable horrors and disappointments, two of the greatest words of the day are thrift and co-operation. For example, a conference was called in New York only a week ago by the greatest of our financiers, to adopt measures for the encouragement of thrift. At this meeting it was pointed out that over thirty-five thousand war savings associations have been founded in England during the last three years, and that these savings from small investors amounted already to \$118,117,000. So also with co-operation. Kropotkin's great work on "Mutual Aid" proves by a rich array of facts taken from the life of animals and the evolution of human society that progress, both biological and social, is best fostered, not by brute force or cunningness, but by the practice of mutual co-operation and support.

No better example combining both thrift and the co-operative principle could be named in connection with a discussion of this subject than the garden city and garden suburb, especially as it has been developed in recent years in England, and is now being discussed in the United States. Directly connected with it is the movement for co-partnership housing. I heartily recommend this subject of the garden city as a topic for a subsequent convention of the United States League of Building and Loan Associations.

In the consideration of industrial housing or the securing of good homes for wage-earners, two questions are constantly asked which call for some answer here. One is the possibility of the use of methods and material that would decidedly reduce the cost of the small home. This would come mainly from wholesale operations, and from the adoption of the standardizing principle, which might be applied successfully in concrete, brick, stucco, wood, or other material.

It ought also to be possible to effect substantial economies, and at the same time secure houses of good design and sound construction, by the wider application to wage-earners' homes of mill-cut methods. There are a number of mill-cut house concerns in the United States, but they all appear to be doing a relatively small retail mail business, each handling a considerable variety of designs. What is most needed, it would seem, is a large wholesale business, with carefully worked out, standardized plans, limited to a few varieties, and sound construction. There is a call especially for four and five-room houses with bath, the

materials for which would cost not more than \$800, and the construction, according to the usual estimate, about \$800 more, making a total of \$1,600. A lot 50 feet by 100 feet, with improvements, would normally not run over \$400, so that the total cost for house and lot would be approximately \$2,000.

In the case of concrete, as illustrated at Forest Hills Gardens, Long Island, N. Y., and elsewhere, the noteworthy advantages of a standardized system lie in the natural adaptation of construction and design, shop manufacture with its possibilities of standard, economic conditions of all kinds, the use of efficient mechanical devices, and the adjustment of the building units. The use in construction of large concrete units for bridges, warehouses, power-plants, hotels, etc., is no new idea. Now it is proposed to extend this principle to the low-cost house field, made practicable at last by Grosvenor Atterbury through standardized and wholesale building operations. The Standardized Housing Corporation has been organized recently for the purpose of dealing in housing as a commodity. This Company is a manufacturer of houses. Its incorporators realize that only factory methods have made possible the ten dollar suit of clothes, the one dollar watch, the two dollar shoes, and the Ford motor car. They believe that the same methods should be applied to the production of industrial housing. The custom made house is too expensive for the workingman. The business of the Company is thus stated in its certificate of incorporation: "To deal in economic housing as a standard commodity by the manufacture and erection of low cost dwellings and tenements; to develop, by research or other means, and to operate a system of Standardized Sectional Hollow Concrete House Construction and such other inventions and processes as may prove serviceable in producing more substantial structures, and in lowering the cost of workingmen's homes; and, to further this purpose, to promote, plan, execute, administer and finance industrial housing developments."

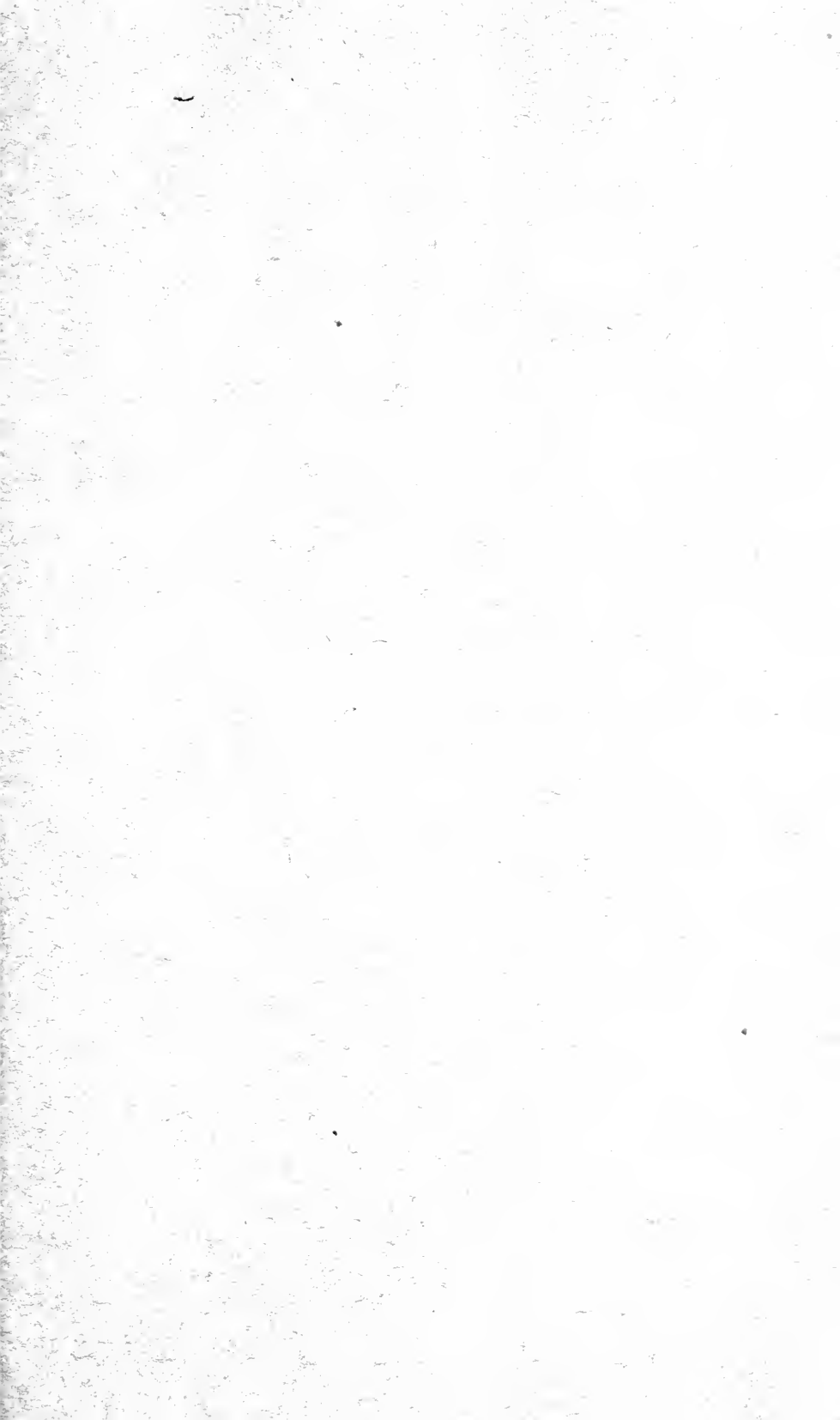
The other question upon which good low cost housing depends is of still greater importance, I believe, and the one upon which the whole matter rests. It is also the one in which the United States League of Local Building and Loan Associations is permanently interested, and I may add, of great influence. I mean capital,—the capital necessary for setting in motion the construction of homes of the right sort, and in number far exceeding anything we have heretofore known.

I have not had time to study the census figures carefully, but it seems clear even from a superficial examination of available statistics that the number of families added to the population of the United States each year is in the neighborhood of 500,000. To supply them with new houses costs at least a billion dollars. Add to this the number of homes that must be rebuilt because of loss by fire and depreciation, and we have probably another four hundred million dollars, making a grand total of nearly a billion and a half, or fourteen hundred million dollars annually. Where is this vast sum to come from? Some of us have thought it would come from "big business,"—from the great financial interests that provide capital for the railroads, for shipping, for public utilities, for manufacture. So far it has not come from this source. Why? Not, surely, because it is not big business, but because, I believe, the profits to be had from housing are only moderate, say ten per cent gross, or at most six per cent net. Big business wants big profits, or at least a chance at big profits. Housing, on the other hand, offers only moderate profits; and public welfare, most of us believe, rests in the elimination from the wage-earner's home of exorbitant profits and speculation. The capital for wage-earners' homes is to come, I am more and more convinced, from the wage-earners themselves. This immense body, now numbering at least 30,000,000, receives annually in wages about \$20,000,000,000, nearly one-quarter of which goes annually for rent or home ownership. What a field and what an opportunity is offered the local building and loan associations! They may be the means to encourage thrift and the habits of systematic saving that will provide first the margin for home ownership, and afterwards the capital for the permanent financing of the wage-earner's home. Already such associations occupy the field and do a truly great work, the surprising extent of which has been reported at this Convention. For example, the number of associations is now over 7,000, with a membership of 3,500,000, and the total assets amount to \$1,696,707,041. Yet when we compare these figures with the total of wage-workers and their earnings, do we not realize that there is a possibility of a great extension of activity to meet the greater need?

Advance in this housing matter will probably come, as it has come in other matters hitherto. Vision creates responsibility, on penalty of losing the vision. Men like those in this association will see the controlling importance of the subject under discussion

and the best ways to promote it. They, in common with others, will apply themselves to the task and gradually we shall solve, mainly on economic lines, through the application of principles of thrift, and sound investment, and co-operation, the problems of industrial housing. In so doing we shall make one of the greatest contributions to industrial efficiency and to the welfare of the wage-earner at a time when these are indispensable to National safety and success.

In closing, may I repeat the two conclusions of the paper on "The Organization of Credit for Housing Purposes" which I prepared for the International Housing Congress held at Vienna in May, 1910. These were (1) that building and loan associations, co-operative banks, and other similar organizations have a vital and far-reaching importance in the improvement of dwellings; (2) that private individuals and public bodies can increase the usefulness of these associations by a careful investigation of their workings, by the steady improvement of their methods and regulations, and by making their merits more widely known, especially to people of small means.







The Problem of Industrial Housing

By John Nolen, Town and City Planner
Cambridge, Mass.

The general conclusions from an examination of the problem of industrial housing would seem to be as follows:—

1. That good planning applied to industrial housing pays.

2. That new factories, for their own interest and in the interest of all others concerned, should locate in the outskirts of cities whenever practicable.

3. That existing factories in cities should be encouraged, as opportunity offers, to remove to the outskirts.

4. That employers and employees should coöperate in a social and democratic way to create an attractive local community on the outskirts of cities near factories, each doing their part to make the community healthful, convenient and satisfying.

5. That the same coöperation should be directed toward securing also for employees and their families, by transportation facilities, some of the advantages and permanent attractions of city life.

6. That the choice for factory employees should not be sharply drawn between the city and the country. Both should be recognized as desirable—the city for occasional inspiration and diversion, and the more open country on the outskirts of cities for the essentials of daily family life.

7. That a good home for every wage earner is possible only by recognizing that housing is closely related to a number of large and difficult problems.

8. That the first step towards a solution of the problem is to recognize that the subject is one for the right application of broad economic principles.

9. That under proper organization, much of the necessary capital could be obtained from the wage-earners themselves through the organization of Building and Loan Associations and Coöperative Banks.

10. Finally, that the better handling of low cost housing offers one of the best opportunities to contribute to industrial efficiency and to the welfare of the wage earner.

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